

**COMMUNITY DEVELOPMENT ADMINISTRATION
MULTI-FAMILY HOUSING REVENUE BONDS
(Insured Mortgage Loans)
Unaudited Interim Financial Statements
For the nine month period ended
March 31, 2003**

Community Development Administration
Multi-Family Housing Revenue Bonds
(Insured Mortgage Loans)

Balance Sheet

March 31, 2003
(in thousands)
(Unaudited)

Restricted assets

Restricted current assets:

Cash on deposit with trustee	\$ 62,357
Investments	8,565
Mortgage-backed securities	214
Multi-family mortgage loans	4,370
Accrued interest and other receivables	3,211

Total restricted current assets	<u>78,717</u>
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Restricted long-term assets:

Investments, net of current portion	27,087
Mortgage-backed securities, net of current portion	27,666
Multi-family mortgage loans, net of current portion	229,965
Deferred bond issuance costs	2,260

Total restricted long-term assets	<u>286,978</u>
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Total restricted assets	<u><u>\$ 365,695</u></u>
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Liabilities and net assets

Current liabilities:

Accrued interest payable	\$ 6,546
Accounts payable	803
Bonds payable	6,915
Other liabilities -- principally deposits by borrowers	19,432

Total current liabilities	<u>33,696</u>
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Long-term liabilities:

Rebate liability	758
Bonds payable, net of current portion	275,826

Total long-term liabilities	<u>276,584</u>
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Total liabilities	<u>310,280</u>
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Net assets:

Restricted	55,415
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Total net assets	<u>55,415</u>
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Total liabilities and net assets	<u><u>\$ 365,695</u></u>
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See accompanying notes.

Community Development Administration
Multi-Family Housing Revenue Bonds
(Insured Mortgage Loans)

Statement of Revenues, Expenses and Changes in Net Assets

For the Period Ended March 31, 2003

(in thousands)

(Unaudited)

Operating revenues

Interest on mortgage loans	\$ 15,243
Interest on mortgage-backed securities	1,296
Fee income	293
Other operating revenue	2
	<u>16,834</u>

Operating expenses

Trustee, legal and mortgage servicing costs	114
Other operating expense	36
	<u>150</u>
Operating income	<u>16,684</u>

Nonoperating revenues (expenses)

Interest income	2,079
Interest expense on bonds	(13,504)
Amortization of bond issuance costs	(76)
Increase in fair value of investments, net of rebate	1,726
Increase in fair value of mortgage-backed securities	815
	<u>(8,960)</u>

Transfers of funds as permitted by the Resolution providing
for the issuance of Multi-Family Housing Revenue Bonds
(Insured Mortgage Loans)

	<u>(380)</u>
Change in net assets before extraordinary item	7,344
Extraordinary loss on early retirement of debt	(133)
Change in net assets	<u>\$ 7,211</u>

Changes in net assets

Net assets at beginning of period	\$ 48,204
Change in net assets	7,211
Net assets at end of period	<u>\$ 55,415</u>

See accompanying notes.

Community Development Administration
Multi-Family Housing Revenue Bonds
(Insured Mortgage Loans)

Statement of Cash Flows

For the Period Ended March 31, 2003

(in thousands)

(Unaudited)

Operating activities

Principal and interest received on mortgage loans	\$ 41,465
Principal and interest received on mortgage-backed securities	1,452
Escrow funds received	7,628
Escrow funds paid	(9,574)
Other income received	2
Loan fees received	7
Trustee, legal and mortgage servicing costs	(114)
Other expenses paid	(36)
Other reimbursements	546
Net cash from operating activities	<u>41,376</u>

Investing activities

Purchases of investments	(1,154)
Interest received on investments	2,028
Net cash from investing activities	<u>874</u>

Noncapital financing activities

Payments on bond principal	(11,616)
Bond issuance costs	(27)
Interest on bonds	(9,258)
Transfers among Funds	(380)
Net cash from noncapital financing activities	<u>(21,281)</u>

Net increase in cash on deposit with trustee	20,969
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Cash on deposit with trustee at beginning of period	41,388
Cash on deposit with trustee at end of period	<u><u>\$ 62,357</u></u>

Community Development Administration
Multi-Family Housing Revenue Bonds
(Insured Mortgage Loans)

Statement of Cash Flows

For the Period Ended March 31, 2003

(in thousands)

(Unaudited)

Reconciliation of operating income to net cash from operating activities

Operating income	\$ 16,684
Adjustments to reconcile operating income to net cash from operating activities:	
Decrease in mortgage-backed securities	156
Decrease in mortgage loans	25,636
Decrease in accrued interest and other receivables	203
Increase in accounts payable	735
Decrease in other liabilities -- principally deposits by borrowers	(2,038)
Net cash from operating activities	<u>\$ 41,376</u>

Noncash investing and noncapital financing activities

Amortization of investment discounts and premiums	\$ 26
Increase in fair value of investments, net of rebate	(1,726)
Increase in fair value of mortgage-backed securities	(815)
Amortization of deferred bond issuance costs	76
Loss on early retirement of debt	133

See accompanying notes.

**Community Development Administration
Multi-Family Housing Revenue Bonds
(Insured Mortgage Loans)**

Notes to Unaudited Interim Financial Statements

March 31, 2003
(in thousands)

1. Basis of presentation:

In the opinion of management, the accompanying interim financial statements of the Community Development Administration (CDA) Multi-Family Housing Revenue Bonds (Insured Mortgage Loans) present fairly the financial position at March 31, 2003 and the results of its operations for the nine months ended March 31, 2003. These interim financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial position and results of operations. The March 31, 2003 financial statements are unaudited, and certain information and footnote disclosures normally included in the annual financial statements have been omitted. Readers of these statements should refer to the financial statements and notes thereto as of June 30, 2002 and for the year then ended, which have been included elsewhere in this disclosure. The results of operations presented in the accompanying financial statements are not necessarily representative of operations for the entire year.

2. Investments and mortgage-backed securities:

In accordance with GASB 31, CDA reflects investments and mortgage-backed securities at fair value.

Investments

As of March 31, 2003, the fair value of the investments was \$35,652 of which \$29,304 was the cost of these investments and \$6,348 was the cumulative increase in fair value. The increase in fair value of investments for the period ending March 31, 2003 was \$2,169. The increase was reduced by \$443 of estimated rebate liability due to unrealized investment gains.

Mortgage-backed securities

As of March 31, 2003, the fair value of the mortgage-backed securities was \$27,880 of which \$25,347 was the cost of these mortgage-backed securities and \$2,533 was the cumulative increase in fair value. The increase in fair value of mortgage-backed securities for the period ending March 31, 2003 was \$815.

3. Redemption of bonds and extraordinary item:

On August 19, 2002, CDA redeemed, prior to maturity, \$4,375 of Multi-Family Housing Revenue Bonds (Insured Mortgage Loans). An extraordinary loss of \$88 was incurred on the redemption.

On March 3, 2003, CDA redeemed, prior to maturity, \$7,350 of Multi-Family Housing Revenue Bonds (Insured Mortgage Loans). An extraordinary loss of \$45 was incurred on redemption.

4. Subsequent Events

On April 22, May 15, and May 22, 2003, CDA redeemed, prior to maturity, \$8,710, \$1,180, and \$1,225, respectively of Multi-Family Housing Revenue Bonds (Insured Mortgage Loans).